



UNDP Costa Rica

Support to the National Response and Recovery to Contain the Impact of COVID-19



1- Government Response

Costa Rica has shown an adequate response to the COVID-19 health crisis. This can be explained by the wide coverage and high quality of its health care system, the early response based on scientific criteria and its extensive and strong emergency preparedness and response system. However, the crisis hits the country in a context of fiscal fragility (central government fiscal deficit for 2019: 6.96% of the GDP), a high unemployment rate (15.7%, June, 2020), which especially affects women (20.8%).

Estimates from the Central Bank indicate that during 2020 Costa Rica economy will decrease by 3.6% due COVID-19. This situation could cause an unprecedented increase in unemployment as a result of the paralysis of in the service sector, which employs 70% of the workforce. It will affect tourism, construction, commerce, industry and transport, in addition to increasing the number of people in the informal sector.

As of June 22nd, the country has reported 2,127¹ confirmed and 12² deaths. On March 16, Costa Rica declared a national state of emergency, and starting a nationwide restriction to motorized mobility. A travel ban is in place, restricting all national and international flights as well as ground transportation. The Government announced social and economic actions, for example:

- Launch of the “Bono Proteger” to support families who are living in poverty and those who are affected by unemployment due to COVID 19.

- The Government is investing 4.8 million dollars in the purchase of medical equipment necessary for emergency care.
- Strengthen the implementation of the social protection strategy to deal with the crisis and capacities for assisting the population in social vulnerability.
- The Alivio program aims to support companies that have been affected due to the through 3 stages that will be carried out over the course of a year and that include actions to stabilize the company, reconversion and acceleration through the articulation of different actors in the ecosystem.
- Monetary Policy Rate reduction by 100 basis points, to locate it at 1.25% annually, as well as allowing renegotiation of the agreed credit conditions up to twice in a 24-month period.
- VAT payments deferral (April, May and June), elimination of income tax partial payments (same period), selective consumption tax deferral (same period), tariff deferral (same period), VAT in commercial leases exemption.
- As part of the measures to mitigate the economic impact of COVID-19, the International Monetary Fund (IMF) approved Costa Rica's request (Rapid Financing Instrument). The approved credit is for USD 508 million and is oriented to address to the national emergency.

2- UNDP Support to Prepare, Respond and Recover

Strengthening Health Systems

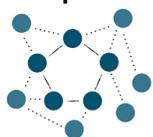


- UNDP is supporting the development of a local an alternative protocol for enabling the development of a kit for the detection/testing of COVID19. Key partners: Ministry of Science, Technology and Telecommunications, Ministry of Health, Nacional Commission of Emergency and National Centre of Epidemiology.

¹ PAHO, Cumulative COVID-19 cases reported by countries and territories in the Americas

² PAHO, Cumulative COVID-19 cases reported by countries and territories in the Americas

Inclusive and Multi-Sectoral Crisis Management and Response



- UNDP is supporting to the National Information System and Unique Registry of Beneficiaries (SINIRUBE) to enable information registration and analysis of 200,000 additional beneficiaries, to implement timely measures and generate opportunities to accelerate post-crisis recovery. UNDP/Rapid Response Facility. Key partners: Ministry of Social Protection, Ministry of National Planning, ILO and FAO.

Socio-Economic Impact and Recovery



- UNDP supports an initial assessment of Covid-19 socioeconomic impacts and policy options, which was shared with the government, and was well received by the Ministry of National Development Planning and the Ministry of Social Protection, as well as by several UN agencies, including UNICEF, IOM, ILO, UNIDO, FAO and UNHCR.
- UNDP is supporting with technical assistance to develop the economic recovery strategy focused on the small enterprises and agri-food sectors and which seeks to enabling inter and intra sector consultations, dissemination, and ownership of the strategy among different stakeholders. UNDP/Rapid Response Facility. Key partners: Minister of National Planning, Minister of Agriculture, Ministry of Economy, ILO, UN Women and FAO.
- UNDP Fund will support a “hackaton” to pilot innovative initiatives that aim to building local solutions to several dimensions of the COVID-19 crisis (economic recovery, gender violence) and develop a response to the pandemics. The innovative initiatives will compete for a prototype development grant. Key partners: Ministry of Economic, Industry and Commerce. Research and Technology Innovation Lab of the National Distance Learning University and the Civil Society Organization “Crisis Proactiva”.
- UNDP, in close collaboration with the Resident Coordinator office, is leading the COVID19 impact analysis and policy respond.

3- UNDP’s support to the UN Country Team

UNDP will implement COVID19 respond under the UNCT Country Response Plan and in its leading role at both the Gender Interagency Group (GIG) and the UN framework for the immediate socio-economic response to COVID-19.

UNDP aims to coordinate and lead an effective, multi stakeholder (academia, private sector, civil society) and inclusive response within this cluster.

4- Resources – COVID19 Response

Areas of Response	Reprogramming (Existing Projects) USD	New Resources (USD)
Strengthening Health Systems	50,000	
Inclusive and Multi-Sectoral Crisis Management and Response		145,800
Socio-Economic Impact and Recovery	80,000	174,200
Sub Total	130,000	320,000
Total	450,000	

UNDP support to health system has been mainly funded by reprogramming the UNDP Catalytic Investment Funds (USD 50,000)

Support to Inclusive and Multi-Sectoral Crisis Management and Response interventions is funded with UNDP Rapid Response Facility (USD 148,800).

UNDP support to Socio-economic impact and recovery is funded by UNDP Rapid Response Facility (USD 104,200), reprogramming of UNDP funded project (USD 30,000), reprogramming the UNDP Catalytic Investment Funds (USD 50,000) and UNDP funds (USD 70,000)